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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 9271
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 7526
RUEHLO/AMEMBASSY LONDON PRIORITY 5362
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3684
RUEHNY/AMEMBASSY OSLO PRIORITY 5287
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0148
RUEHMD/AMEMBASSY MADRID PRIORITY 0130
RUEHKO/AMEMBASSY TOKYO PRIORITY 4409
RUEHCG/AMCONSUL CHENNAI PRIORITY 9833
RUEHBI/AMCONSUL MUMBAI PRIORITY 7122
RUEHON/AMCONSUL TORONTO PRIORITY 0143
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEHGV/USMISSION GENEVA PRIORITY 3985
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 000021

SIPDIS

DEPARTMENT FOR SCA/INSB

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SUBJECT: SRI LANKA - ELECTIONS UPDATE NO. 6

REF: A. COLOMBO 11

[1](#)B. COLOMBO 7

[1](#)C. COLOMBO 2

[1](#)D. 09 COLOMBO 1152

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[1](#)F. 09 COLOMBO 1139

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Classified By: CHARGE VALERIE C. FOWLER. REASONS: 1.4 (B, D)

Fonseka's Manifesto

[1](#)1. (C) Presidential candidate Sarath Fonseka released his campaign "manifesto" on January 7, a full-color 22-page brochure, which contained a strong condemnation of President Rajapaksa, largely on grounds of corruption and family patronage. Post contacts have said the manifesto would be published in all three local languages and widely distributed. The manifesto talks about "believable change" and contains promises on economic reform, government reform and social welfare improvements. As detailed below, Fonseka's publication is rather thin on explanations of how he intends to pay for many of the economic and social-welfare initiatives he promises. There are a number of other governmental reforms, however, which could be implemented with little or no financial burden on the government. Whether or not a victorious President Fonseka would have the political capital needed to achieve these reforms remains to be seen and would be dependent on a compliant parliament. With parliamentary elections due within several months, the exact shape of any future Fonseka-era parliament is far from clear at present.

KEY PROMISES

12. (C) The Fonseka manifesto promises a number of governmental reforms, which if carried out would appear to at least begin addressing many of the major concerns held by the international community and human rights groups. Specifically Fonseka promises to (a) abolish the Executive Presidency, (b) reactivate the 17th amendment to the constitution, (c) end the culture of "white van" disappearances and extra-judicial killings, (d) eliminate the press council and establish an environment of free media, (e) return all remaining IDPs and double the resettlement allowance they receive to 100,000 rupees) about USD\$880) per family, (f) amend the emergency regulations, and (g) deal with all war-related detainees by either prosecuting them, releasing them or placing them in rehabilitation programs.

FONSEKA THE ECONOMIST?

13. (C) The economic portion of Fonseka's manifesto contains positive points on corruption and GSP plus, but more populist positions on salaries, product prices and taxes. Fonseka promises to appoint a powerful agency to combat fraud and corruption, create an independent commission to audit public finances, and pass a new Parliamentary ethics code. Fonseka also promises to ensure that the European Union would not revoke their GSP plus trade benefits, but without disclosing how he would achieve this. Fonseka makes populist appeals by promising to increase government salaries by 10,000 Rs (\$88 USD) per month. Rajapaksa countered with a promise of a 2,500 Rs (\$22 USD) raise. Fonseka promises to provide pensions for agriculture and fishery workers. Fonseka plans to reduce the fixed prices of certain items and to bring down the price of food, diesel and kerosene and other essentials by reducing taxes.

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COST OF CORRUPTION) THANKS TO USAID

14. (C) One portion of Fonseka's argument on corruption cites statistics from a study partially funded by a USAID grant, entitled "Impact of Corruption on Poverty and Economic Growth, 2007". The manifesto does not mention the role of USAID in that study, and it is unknown whether Fonseka himself is aware of that connection. The report states that loss to corruption in 2006 amounted to about 9 percent of the 2006 GDP of Sri Lanka.

HOW WILL HE PAY FOR IT?

15. (C) Candidate Fonseka's economic manifesto coincides with the economic strategy described in reftel C. Fonseka does not mention any real reforms except on corruption and transparency. His promises to increase salaries, lower the cost of living and cut taxes sound good, but he does not provide any credible plan to accomplish these goals. In such a heated campaign environment, it is not surprising that Fonseka's economic manifesto reveals more of his campaign strategy than an economic program following the election.

WHAT ISSUES WILL DRIVE THE VOTERS?

16. (C) It is unclear how many votes this manifesto will garner. The language used in it is very professional and nuanced, and the arguments on corruption appear convincing, especially when coupled with other documents floating around Sri Lanka's e-mail network which detail the corrupt financial dealings of the Rajapaksa family. Post is sending local staff into the field to get a sense of the political mood outside of Colombo and will draw from that reporting in upcoming elections-related cables. So far voters seem largely interested in economic matters and care much less about security-related issues than they may have some six

months ago when the war was still fresh on everyone's minds. While Fonseka may be short on specifics for his economic plan, it nonetheless is more detailed than the Rajapaksa plan thus far, and his attacks on the cost of the Rajapaksa's corruption may well resonate.

RAJAPAKSA IN JAFFNA
"END TO HIGH-SECURITY ZONES"

¶7. (C) President Rajapaksa visited Jaffna on January 10, his first visit there following the end of the war. While there he made several announcements, including that the high-security zones in the Jaffna peninsula would be dismantled, leaving only what was described as a "defence front line". Approximately 42 square kilometers in the Jaffna peninsula have been closed off as high security zones for a number of years, with some 80,000 persons displaced as a result from their homes and agricultural lands. It was unclear when this would take effect, and one media outlet had reported some IDPs had already attempted to enter one zone, only to be turned back because the formal authorization removing the high-security zones had not yet been received. Sarath Fonseka had promised he would eliminate all high-security zones if elected when he was in Jaffna campaigning on January 2.

RAJAPAKSA PROMISES RELEASE
OF SOME DETAINEES

¶8. (C) While in Jaffna, Rajapaksa told the local Catholic

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Bishop that all LTTE suspects held on minor charges would be released, pending a review of their case by the Attorney General's office. Local media had been reporting over the weekend that some 700 of the ex-LTTE combatants held in Vavuniya since the end of the war had been released. Post contacts said by January 11 they were still waiting for a formal court order allowing their release.

RAJAPAKSA MANIFESTO

¶9. (C) President Rajapaksa released his own manifesto document on January 11. Post will report in more detail in the next elections update cable once a full English translation is obtained, but early reports are that the document is less specific in its promises when compared with Fonseka's manifesto.

COMMENT: WHO WILL WIN?

¶10. (C) This election is still very much up in the air. Polls here are very scattered and likely to be statistically unreliable, but anecdotal evidence shows a growth in support for Fonseka. Rajapaksa still has an enormous advantage in his illegal use of state resources, but the idea of "change" is becoming the issue of the day, even if Fonseka has not yet provided specifics on how to achieve all his promises of change. Initial contact with voters in rural areas shows a focus on economic issues rather than security.

COMMENT: IF FONSEKA, WHAT NEXT?

¶11. (C) Some local political analysts have begun to entertain scenarios of what might happen in the Sri Lankan government if Fonseka did win. Early opinions say that the wide-spread UNF coalition he has assembled had no intention of staying together for parliamentary elections. Indeed Post local political staff are finding that local political organizers, in particular those from the JVP, are squirreling away presidential campaign funds to use for their own

parliamentary campaigns. The JVP is showing its organizational strength on the ground and is likely to benefit in general elections. Some are saying that if Rajapaksa loses, his family's fortunes in the SLFP will end, and it will revert back to its more historic form. Rumors have cropped up in the past week that former President Chandrika Bandaranaike Kumaratunga may announce her support for Fonseka, with her son Vimukthi Kumaratunga at her side. This then would serve as Vimukthi's entrance into the political world, and a passing of the torch to the next generation of the Bandaranaike family, which has been deeply involved in Sri Lankan politics for some 300 years. Interestingly, Mangala Samaraweera, seen by many as the brains behind Fonseka's campaign strategy, also ran Chandrika's presidential campaign and was known as one of her close confidantes. He is thought by some to be a possible candidate for Prime Minister in a Fonseka administration.

End Comment.

FOWLER